

John Murray

From: Clint Seward [cseward@verizon.net]
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Cc: Manager Department
Subject: Acton seniors' property taxes consume twice to four times their income compared to most Actonians

FYI during budget preparations

Acton seniors' property taxes consume twice to four times their income compared to most Actonians

By Clint Seward as published in the Acton Weekly on 27 July

The new Acton tax bills are more than twice as high for seniors as for other Actonians when measured as a percentage of their income, according to publicly available data from the Massachusetts Department of Revenue (DOR). The new tax bills, which reflect the increase for 2007, were sent out the last week in June and are due for payment on August first.

Income for Acton seniors and for all Acton age groups from the Massachusetts DOR website is shown in the table below. The latest median household income in Acton is listed on the Mass DOR website as \$91,624 as is the average Acton tax bill of \$7,926.

This comparison shows for example that median income for Acton's 65-74 year olds is less than half of the median income of the 45-54 year olds. Median income for Acton's 75 and older is less than one fourth of 45-54 year olds.

Age of head of household	Median Income	Income by age as % of Acton median	Acton ave. tax bill as % of median inc
Householder under 25	33,571	36.6%	23.6%
Householder 25-34	72,143	78.7%	11.0%
Householder 35-44	100,808	110.0%	7.9%
Householder 45-54	112,266	122.5%	7.1%
Householder 55-64	108,197	118.0%	7.3%
Householder 65-74	55,870	61.0%	14.2%
Householder 75 and older	25,375	27.7%	31.2%

The table presents a calculation of income by age as a percent of the Acton median income. The table also presents a comparison of the average Acton tax bill as a percent of median income for each age group.

Acton Town Officials are aware of the tax burden for seniors and Acton offers several programs for seniors who need help paying their property taxes. According to Brian McMullen, Acton's Assistant Tax Assessor, "Acton has about maxed out all of the local options to help seniors with their property taxes since Massachusetts State laws limit what towns can do."

Acton has a Tax Deferral program that allows seniors to defer all or part of their property tax until their house is sold. The tax deferral program acts like a loan, with interest at the Federal Discount Tax Rate, the same tax rate that Acton pays for money it borrows. A senior's income needs to be less than approximately \$40k per year to qualify for the tax deferral.

Acton allows citizens over 60 years of age to apply for relief from the CPA tax surcharge, that is, the community preservation act 1.5% surcharge on property taxes. The single test for this relief is that income must be less than \$67,280 for a family of two.

Acton also has a Senior Tax Aid Committee. This is a local committee that is funded by donations and helps about a dozen needy seniors a year with funds that become available through donations, about \$15k per year. The program takes into account income, debt, expenses, and assets, and all information is held strictly private. For especially needy senior cases this committee can present an application to the Board of Assessors for tax relief in all or in part.

The Commonwealth of Massachusetts has recognized the problem of lower income seniors living in high property tax areas. Mass offers a tax rebate to qualified seniors. This amounts to a tax credit of \$870 per year, about 11.0% of the average Acton tax bill. It is subject to income qualifications, and is available on houses assessed less than \$650,000.

Detailed information on all of these programs and more is available from the Acton Tax Assessor's office at Town Hall; phone at 978 264 9622.